

# Operations

**STARS Number & Budget Unit:** 170 EDPO, 170 EDPP

**Bill Number & Chapter:** S1223 (Ch.257), H395 (Ch.398)

Provide state and federal funding to support the operations of Idaho's 114 local school districts, grades K-12.

<b>DIVISION SUMMARY:</b>	<b>FY 2004 Total Appr</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Total Appr</b>	<b>FY 2006 Request</b>	<b>FY 2006 Gov Rec</b>	<b>FY 2006 Approp</b>
<b>BY FUND SOURCE</b>						
General	242,891,300	242,891,300	244,022,100	274,135,300	257,132,500	250,479,500
Dedicated	41,700,000	41,700,000	26,907,800	22,469,700	22,469,700	27,082,800
Federal	5,180,000	5,180,000	5,314,600	5,550,800	5,550,800	5,550,800
Total:	289,771,300	289,771,300	276,244,500	302,155,800	285,153,000	283,113,100
Percent Change:		0.0%	(4.7%)	9.4%	3.2%	2.5%
<b>BY EXPENDITURE CLASSIFICATION</b>						
Lump Sum	289,771,300	289,771,300	276,244,500	302,155,800	285,153,000	283,113,100

<b>DECISION UNIT SUMMARY:</b>	<b>FTP</b>	<b>General</b>	<b>Dedicated</b>	<b>Federal</b>	<b>Total</b>
<b>FY 2005 Original Appropriation</b>	<b>0.00</b>	<b>244,022,100</b>	<b>26,907,800</b>	<b>5,314,600</b>	<b>276,244,500</b>
Removal of One-Time Expenditures	0.00	(5,000,000)	0	0	(5,000,000)
Base Adjustments	0.00	(738,600)	0	0	(738,600)
<b>FY 2006 Base</b>	<b>0.00</b>	<b>238,283,500</b>	<b>26,907,800</b>	<b>5,314,600</b>	<b>270,505,900</b>
Nonstandard Adjustments	0.00	3,994,700	0	236,200	4,230,900
<b>FY 2006 Maintenance (MCO)</b>	<b>0.00</b>	<b>242,278,200</b>	<b>26,907,800</b>	<b>5,550,800</b>	<b>274,736,800</b>
1. Discretionary Funds	0.00	2,101,300	175,000	0	2,276,300
4. Technology	0.00	6,100,000	0	0	6,100,000
<b>FY 2006 Total Appropriation</b>	<b>0.00</b>	<b>250,479,500</b>	<b>27,082,800</b>	<b>5,550,800</b>	<b>283,113,100</b>
Change From FY 2005 Original Approp.	0.00	6,457,400	175,000	236,200	6,868,600
% Change From FY 2005 Original Approp.		2.6%	0.7%	4.4%	2.5%

APPROPRIATION HIGHLIGHTS: Nonstandard adjustments include \$1,073,100 for an increase of 185 mid-term and 190 full-term support units, \$2,921,600 for increased Transportation costs (including \$1,598,900 for the cost of transporting virtual programs to children at home), and \$236,200 for increased federal pass-through funds. A one-time 1% salary bonus was provided contingent upon a prescribed balance in the General Fund at the end of fiscal year 2005 (H395). Such funds may be distributed to any school district employee earning less than \$68,625 per year. State discretionary funds are increased by 10.9%. However, the combined effects of relatively slower 2.7% growth in equalized M&O revenue, combined with spreading out these increased funds over a rapidly increasing number of support units, result in a total increase of only 1% in total discretionary funds per support unit.

The total amount of funding available for Technology is increased by 13.1%, from \$8.4 million to \$9.5 million. In addition, the full amount is now appropriated as ongoing funding, rather than only \$3.4 million of the total, as has been the case in the past. The Legislature also made several changes in how Technology funds can be used, in response to the report on public schools technology initiatives, issued by the Office of Performance Evaluations in January 2005. The report found that while public schools had generally met, and usually exceeded their goals with regards to the number of computers available, most school districts had inadequate levels of IT staffing available to help maintain, repair, and coordinate the machines. In response, this appropriation increases by 33%, from \$2.9 million to \$3.9 million, the amount of state Technology money that school districts can use on personnel costs for IT staff. Also, in consideration of the report noting that many districts had exceeded their IT equipment goals, the appropriation broadened the permissible uses of the remaining Technology funds, from including only IT equipment and software purchases, to also including spending to provide remedial instruction for students failing to achieve proficiency in one or more areas of the Idaho Standards Achievement Test (ISAT).

LEGISLATIVE INTENT: Sections 7 and 8 repeal the sections of code requiring spending for the Idaho Student Information Management System (ISIMS), beginning in FY 2006. The agreement with the Albertson Foundation was that the Foundation would deliver a finished product at the end of FY 2005, at which point the state would assume the license fees and software maintenance costs. Since the Foundation has terminated development of the product, however, there is no system for the state to maintain. Sections 9, 10, and 11 deal with the phase-out of the formula funding Floor for school districts. This change, which primarily affects the 3-4 school districts in Idaho with the highest levels of property wealth per support unit (Blaine County, McCall-Donnelly, Avery, and possibly Swan Valley), will reduce the amount of guaranteed state formula funding from 90% of the previous year's level to 50% for FY 2006. The guarantee is then eliminated in FY 2007. The districts mentioned have such high property values that the equalization formula would normally entitle them to zero state dollars, but for the Floor guarantee, which provides these districts with even higher levels of funding than their high property values generate. Funds saved through phasing out the Floor are redistributed through the formula to the other 110 school districts and 18 charter schools.

<b>FY 2006 APPROPRIATION:</b>	<b>FTP</b>	<b>Pers. Cost</b>	<b>Oper Exp</b>	<b>Cap Out</b>	<b>T/B Pymnts</b>	<b>Lump Sum</b>	<b>Total</b>
G 0001-00 General	0.00	0	0	0	0	250,479,500	250,479,500
D 0481-01 Public School Income	0.00	0	0	0	0	27,082,800	27,082,800
F 0348-00 Federal Grant	0.00	0	0	0	0	5,550,800	5,550,800
Totals:	0.00	0	0	0	0	283,113,100	283,113,100